

# Application for an Initiative or Referendum

Utah Code § 20A-7-202



**PLEASE NOTE:** A copy of the law must be attached to this application along with a statement indicating whether or not signature gatherers will be paid for their services.

Please type or print

Application must be completed by five sponsors

## Sponsor Statement

I, YORAM BAUMAN affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

Name of Sponsor (please type or print)

825 E 206th AVE

Residence Address

SALT LAKE CITY UT 84105 206-351-5719

City, State, Zip Phone Number

YORAM@STANDUPFORCONSTIT.COM

Email

Subscribed and affirmed before me this 2nd day of May 2019.

by [Signature]

Notary Public

Notary Seal

NOTARY PUBLIC  
TREVOR KENT JOHNSON  
698195  
COMMISSION EXPIRES  
DECEMBER 01, 2021  
STATE OF UTAH

## Sponsor Statement

I, David Carrier affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

Name of Sponsor (please type or print)

3150 East Louise Ave

Residence Address

Salt Lake City, UT 84109 385 227 7235

City, State, Zip Phone Number

carrier.dave@gmail.com

Email

Subscribed and affirmed before me this 2nd day of May 2019.

by [Signature]

Notary Public

Notary Seal

NOTARY PUBLIC  
TREVOR KENT JOHNSON  
698195  
COMMISSION EXPIRES  
DECEMBER 01, 2021  
STATE OF UTAH

### To File This Form

Mail or deliver to:  
Lieutenant Governor's Office  
Utah State Capitol  
Suite 220  
Salt Lake City, UT 84114-2325  
Fax (801) 538-1133

For More Information Call or Visit:  
(801) 538-1041  
1-800-995-VOTE (8683)  
elections.utah.gov

**Received**

**MAY 17 2019**

**Spencer J. Cox**  
Lieutenant Governor

# Application for an Initiative or Referendum

Utah Code § 20A-7-202

Name of Organization

## Sponsor Statement

I, Colleen Farmer affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.  
Name of Sponsor (please type or print)

3150 Louise Ave  
Residence Address

[Signature]  
Sponsor's Signature

Salt Lake City UT 84109  
City, State, Zip

801 581 4236  
Phone Number

Notary Seal

cg.farmer@gmail.com  
Email

Subscribed and affirmed before me this 2nd day of May 2019.

by



NOTARY PUBLIC  
TREVOR KENT JOHNSON  
698195  
COMMISSION EXPIRES  
DECEMBER 01, 2021  
STATE OF UTAH

[Signature]  
Notary Public

## Sponsor Statement

I, ROBERT CIERI affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.  
Name of Sponsor (please type or print)

859 LE GRAND ST  
Residence Address

[Signature]  
Sponsor's Signature

SALT LAKE CITY, UT 84108  
City, State, Zip

801-585-7756  
Phone Number

Notary Seal

bob.cieri@gmail.com  
Email

Subscribed and affirmed before me this 8 day of MAY 2019.

by



Notary Public - State of Utah  
**MARIE PERKINS**  
Comm. #705586  
My Commission Expires  
April 22, 2023

[Signature]  
Notary Public

# Application for an Initiative or Referendum

Utah Code § 20A-7-202

Name of Organization

## Sponsor Statement

I, Joseph W. Cauceglic  
Name of Sponsor (please type or print)

affirm that I am a resident of Utah and I have voted in a regular general election in Utah within the last three years.

995 Echo Lane  
Residence Address

[Signature]  
Sponsor's Signature

Park City, UT, 84098  
City, State, Zip

435 714 9130  
Phone Number

Notary Seal

J.Cauceglic@gmail.com  
Email

Subscribed and affirmed before me this 8th day of May, 2019.

by

[Signature]  
Notary Public



Notary Public - State of Utah  
**MARIE PERKINS**  
Comm. #705586  
My Commission Expires  
April 22, 2023



# **CLEAN THE AIR CARBON TAX ACT**

## **2 LONG TITLE**

### **3 General Description:**

4 This bill creates a tax on carbon dioxide emissions.

### **5 Statement of Intent and Subject Matter**

6 The intent of this bill is to reduce carbon dioxide emissions with a carbon tax, with  
7 approximately one-third of the revenue directed to improving local air quality and promoting  
8 rural economic development and approximately two-thirds of the revenue directed to reducing  
9 existing taxes, including elimination of the state sales tax on grocery store food.

### **10 Highlighted Provisions:**

11 This bill:

- 12 ▶ requires the Department of Environmental Quality to certify carbon dioxide  
13 emissions by certain taxpayers;
- 14 ▶ establishes a grant program to fund projects that assist air quality control regions in  
15 the state to achieve attainment status;
- 16 ▶ modifies the individual income tax credit for retirement income;
- 17 ▶ creates a refundable state earned income tax credit and provides for apportionment  
18 of that tax credit;
- 19 ▶ requires the Division of Finance to reimburse the Education Fund from the Carbon  
20 Emissions Tax Expendable Revenue Fund for certain tax credits claimed;
- 21 ▶ eliminates the state sales and use tax on food;
- 22 ▶ eliminates the state sales and use tax on residential fuel and commercial fuel;
- 23 ▶ modifies dedicated credit calculations;
- 24 ▶ imposes a carbon dioxide emissions tax, including:
  - 25 · defining terms;
  - 26 · requiring records;
  - 27 · addressing rate and remittance requirements for tax on motor fuel, special fuel,  
28 aviation fuel, natural gas, large emitter emissions, and electricity;



- 29           ·     granting rulemaking authority; and
- 30           ·     creating the Carbon Emissions Tax Expendable Revenue Fund and the Carbon
- 31                 Emissions Tax Refund Restricted Account and providing for the funds'
- 32                 expenditure; and
- 33           ▶     makes technical and conforming changes.

34 **Money Appropriated in this Bill:**

35           None

36 **Other Special Clauses:**

37           This bill provides a special effective date.

38 **Utah Code Sections Affected:**

39 **AMENDS:**

40           **35A-8-308**, as last amended by Laws of Utah 2017, Chapters 181 and 421

41           **35A-8-309**, as last amended by Laws of Utah 2019, Chapter 493

42           **59-10-1019**, as renumbered and amended by Laws of Utah 2008, Chapter 389

43           **59-12-103**, as amended by Laws of Utah 2019, Chapters 1, 136, and 479

44           **63N-2-502**, as last amended by Laws of Utah 2016, Chapter 350

45           **72-2-126**, as last amended by Laws of Utah 2016, Chapter 38

46 **ENACTS:**

47           **19-1-207**, Utah Code Annotated 1953

48           **19-1-208**, Utah Code Annotated 1953

49           **19-2-401**, Utah Code Annotated 1953

50           **59-10-1102.1**, Utah Code Annotated 1953

51           **59-10-1113**, Utah Code Annotated 1953

52           **59-30-101**, Utah Code Annotated 1953

53           **59-30-102**, Utah Code Annotated 1953

54           **59-30-103**, Utah Code Annotated 1953

55           **59-30-104**, Utah Code Annotated 1953

56           **59-30-201**, Utah Code Annotated 1953

57           **59-30-202**, Utah Code Annotated 1953

58           **59-30-203**, Utah Code Annotated 1953

59           **59-30-204**, Utah Code Annotated 1953

59-30-205, Utah Code Annotated 1953

59-30-206, Utah Code Annotated 1953

59-30-207, Utah Code Annotated 1953

59-30-301, Utah Code Annotated 1953

59-30-302, Utah Code Annotated 1953

*Be it enacted by the people of the State of Utah:*

Section 1. Section 19-1-207 is enacted to read:

**19-1-207. Certification of large emitter for tax purposes.**

(1) As used in this section:

(a) "Dyed diesel fuel" means the same as that term is defined in Section 59-13-102.

(b) "Large emitter" means the same as that term is defined in Section 59-30-102.

(c) "Metric ton" means the same as that term is defined in Section 59-30-102.

(d) "Operator" means the same as that term is defined in Section 59-30-102.

(2) (a) On or before May 1, an operator shall apply to the department for a written certification of the total number of metric tons of carbon dioxide that the large emitter emitted in this state during the previous calendar year from combustion of:

(i) coal;

(ii) dyed diesel fuel; and

(iii) fuel gas.

(b) In applying for the certification required by this section, an operator shall provide the department with the following information for the previous calendar year:

(i) (A) the number of short tons for each type of coal that the large emitter combusted in this state;

(B) the number of gallons of dyed diesel fuel that the large emitter combusted in this state; and

(C) the number, in thousands, of standard cubic feet of fuel gas that the large emitter combusted in this state;

(ii) measurements in metric tons of carbon dioxide emissions from combustion in this state by the large emitter of:

(A) coal;

(B) dyed diesel fuel; and

(C) fuel gas; and

(iii) any information that the large emitter may be required to provide to the United States Environmental Protection Agency for the facility by 40 C.F.R. Sec. 98.2.

(3) (a) Prior to issuing a certification, the department shall determine the large emitter's number of metric tons of carbon dioxide emissions by converting the reported number of short tons of coal, the reported number of gallons of dyed diesel fuel, and the reported number, in thousands, of standard cubic feet of fuel gas to metric tons of carbon dioxide emissions.

(b) In making the conversions required by this Subsection (3), the department shall use the following formulas:

(i) for coal:

(A) one short ton of anthracite equals 2.579 metric tons of carbon dioxide emissions;

(B) one short ton of bituminous equals 2.237 metric tons of carbon dioxide emissions;

(C) one short ton of coke equals 2.830 metric tons of carbon dioxide emissions;

(D) one short ton of lignite equals 1.266 metric tons of carbon dioxide emissions; and

(E) one short ton of subbituminous equals 1.686 metric tons of carbon dioxide emissions;

(ii) for dyed diesel fuel, one gallon equals .01016 metric tons of carbon dioxide emissions; and

(iii) for fuel gas, 1,000 standard cubic feet equal .0819 metric tons of carbon dioxide emissions.

(c) The department may use information reported in accordance with Subsection (2)(b)(iii) to assess the accuracy of the information reported in accordance with Subsections (2)(b)(i) through (ii).

(4) On or before June 1, the department shall:

(a) issue to the operator, on a form provided by the State Tax Commission, a certification of the total number of metric tons of carbon dioxide emissions that the large emitter emitted during the previous calendar year; and

(b) provide the State Tax Commission with an electronic report listing the name and address of each operator to which the department issued a certification under this section.



122       (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
123 department may make rules governing the process for an operator to apply for and the  
124 department to issue a written certification required by this section.

125       (6) The department shall notify the State Tax Commission if the department concludes  
126 that there is an error in a previously issued written certification that may require the large  
127 emitter to file an amended return in accordance with Section 59-30-104.

128       (7) The provisions of this section apply beginning on January 1, 2022.

129       Section 2. Section **19-1-208** is enacted to read:

130       **19-1-208. Certification of electricity provider.**

131       (1) As used in this section:

132       (a) "Declared resource" means each electricity generating unit that an electricity  
133 generator uses to generate electricity.

134       (b) "Electricity" means the same as that term is defined in Section 59-30-102.

135       (c) (i) "Electricity generator" means a person that generated any electricity that the  
136 person provided to an electricity provider.

137       (ii) "Electricity generator" includes an electricity provider if the electricity provider  
138 generates electricity that the electricity provider delivers in the state.

139       (d) "Electricity provider" means the same as that term is defined in Section 59-30-102.

140       (e) "Fuel mix" means the actual or imputed fuel sources to generate electricity  
141 expressed in terms of percentage contribution by each type of fuel used to produce the  
142 electricity.

143       (f) "Metric ton" means the same as that term is defined in Section 59-30-102.

144       (2) (a) On or before May 1, an electricity provider shall apply to the department for a  
145 written certification of the number of metric tons of carbon dioxide emitted to produce  
146 electricity that the electricity provider delivered in the state during the previous calendar year.

147       (b) In applying for the certification required by this section, an electricity provider  
148 shall provide to the department the following information for the previous calendar year:

149       (i) the number of megawatt hours of electricity that the electricity provider delivered to  
150 retail customers in this state;

151       (ii) the number of megawatt hours of electricity that the electricity provider delivered  
152 to retail customers in all states;

153 (iii) the number of megawatt hours of electricity from declared resources that the  
154 electricity provider delivered to retail customers in all states;

155 (iv) the number of megawatt hours of electricity from undeclared resources that the  
156 electricity provider delivered to retail customers in all states, calculated by subtracting from the  
157 number of megawatt hours in Subsection (2)(a)(ii) the number of megawatt hours of declared  
158 resources in Subsection (2)(a)(iii);

159 (v) for each declared resource from which the electricity provider received electricity:

160 (A) the primary fuel source and other major characteristics of the resource, for  
161 example sub-bituminous coal, combined-cycle natural gas turbine, small modular nuclear,  
162 solar, wind, or geothermal;

163 (B) the number of megawatt hours of electricity that the electricity provider received  
164 from that declared resource, net of wholesale sales;

165 (C) the average number of metric tons of carbon dioxide produced per megawatt hour  
166 for that declared resource, if that number is available for the previous calendar year;

167 (vi) information that the electricity provider or the person from which the electricity  
168 provider purchases electricity provides to the Federal Power Commission as required by 16  
169 U.S.C. Secs. 796, 797, 825c, and 825h; and

170 (vii) information on fuel mix that the electricity provider or the person from which the  
171 electricity provider purchases electricity is required to disclose to another state or to a person in  
172 another state.

173 (c) The numbers in Subsection (2)(b) must not include electricity generated on-site at a  
174 retail electric customer's premises.

175 (3) (a) Prior to issuing a certification, the department shall determine the electricity  
176 provider's metric tons of carbon dioxide emissions by:

177 (i) multiplying, for each declared resource for which an average number of metric tons  
178 of carbon dioxide produced per megawatt hour is reported, the number of megawatt hours of  
179 electricity that the electricity provider received from that declared resource by the average  
180 number of metric tons of carbon dioxide produced per megawatt hour for that declared  
181 resource;

182 (ii) multiplying, for each declared resource for which an average number of metric tons  
183 of carbon dioxide produced per megawatt hour is not reported, the number of megawatt hours  
184 of electricity that the electricity provider received from that declared resource by:

185 (A) 1.0 if the primary fuel source for the declared resource is coal or petroleum;

186 (B) 0.5 if the primary fuel source for the declared resource is natural gas; or

187 (C) 0.0 if the primary fuel source is not a fossil fuel.

188 (iii) multiplying, for any undeclared resources, the number of megawatt hours of  
189 electricity by 1.0.

190 (iv) adding together the calculations described in Subsection (3)(a)(i) through (iii).

191 (b) The department may use the information reported in accordance with Subsections  
192 (2)(b)(vi) through (vii) to assess the accuracy of the information reported in accordance with  
193 Subsections (2)(b)(i) through (v).

194 (4) On or before June 1, the department shall:

195 (a) issue to the electricity provider, on a form provided by the State Tax Commission, a  
196 certification of the total number of carbon dioxide emissions emitted to produce electricity that  
197 the electricity provider delivered in the state during the previous calendar year; and

198 (b) provide the State Tax Commission with an electronic report listing the name and  
199 address of each electricity provider to which the department issues a certification under this  
200 section.

201 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
202 department may make rules governing the process for an electricity provider to apply for and  
203 the department to issue a written certification required by this section.

204 (6) The department shall notify the State Tax Commission if the department concludes  
205 that there is an error in a previously issued written certification that may require the electricity  
206 provider to file an amended return in accordance with Section 59-30-104.

207 (7) The provisions of this section apply beginning on January 1, 2022.

208 Section 3. Section **19-2-401** is enacted to read:

209 **Part 4. Clean Air Grant Program**

210 **19-2-401. Clean air grant program.**

211 (1) As used in this section:

212 (a) "Advisory board" means the Air Quality Policy Advisory Board created in Section  
213 19-2a-102.

214 (b) "Air quality control region" means an area within the state designated as an air  
215 quality control region in accordance with the Clean Air Act, 42 U.S.C. Sec. 7407.



216 (c) "Attainment status" means a designation of attainment under the Clean Air Act, 42  
217 U.S.C. Sec. 7407(d)(1)(A)(ii), for one or more pollutants for which there are national ambient  
218 air quality standards established under 42 U.S.C. Sec. 7409.

219 (d) "Clean air grant program" means the program created by this section.

220 (2) (a) Subject to other provisions of this section, the executive director may award a  
221 grant to any person that submits a proposal for a project that the department, after consulting  
222 with the advisory board, determines will assist one or more air quality control regions to  
223 achieve attainment status.

224 (b) The department may use up to 2% of the money appropriated to the department for  
225 the clean air grant program for administrative purposes, including monitoring and compliance.

226 (3) A person that seeks to obtain a grant shall, using forms the department requires by  
227 rule, make a written application describing:

228 (a) the proposed use for grant funds;

229 (b) the projected impact the project will make in assisting one or more air quality  
230 control regions to achieve attainment status; and

231 (c) any other relevant information requested by the department.

232 (4) (a) Both the department and the advisory board shall review any applications  
233 submitted under this section.

234 (b) The department shall evaluate proposals and award grants:

235 (i) after receiving recommendations from the advisory board;

236 (ii) after reviewing the administrative costs of a proposed project and giving priority to  
237 a project with low administrative costs compared to the cost of the project; and

238 (iii) in accordance with the process the department establishes by rule.

239 (c) The aggregate amount of grants the executive director awards in a fiscal year may  
240 not exceed the amount that the Legislature appropriates into the clean air grant program for the  
241 previous fiscal year.

242 (5) If the executive director awards an aggregate amount of grants in a fiscal year that  
243 is less than the amount that the Legislature appropriates into the clean air grant program for the  
244 previous fiscal year, the money not awarded shall lapse to the Carbon Emissions Tax Refund  
245 Restricted Account created in Section 59-30-302.

246 (6) The department may not award a grant under this section to a proposed project that  
247 targets an air quality control region that has achieved attainment status with respect to a  
248 pollutant that the project proposes to address.

249 (7) (a) On or before October 31, the department shall make an in-person report to the  
250 Natural Resources, Agriculture, and Environment Interim Committee and the Revenue and  
251 Taxation Interim Committee.

252 (b) The department shall include in the report:

253 (i) the amount of money the executive director awarded under this section during the  
254 previous fiscal year;

255 (ii) the uses of the money awarded under this section during the previous fiscal year;

256 (iii) a report on the status of the state's air quality and the impact of the clean air grant  
257 program on the state's air quality; and

258 (iv) any other relevant information requested by the Natural Resources, Agriculture,  
259 and Environment Interim Committee or the Revenue and Taxation Interim Committee.

260 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
261 department, after consultation with the advisory board, shall make rules governing:

262 (a) the process for a person to file an application to receive a grant;

263 (b) criteria the executive director shall consider in prioritizing proposals and awarding  
264 grants; and

265 (c) the process for disbursing grant funds.

266 Section 4. Section **35A-8-308** is amended to read:

267 **35A-8-308. Throughput Infrastructure Fund.**

268 (1) There is created an enterprise fund known as the Throughput Infrastructure Fund.

269 (2) The fund consists of money generated from the following revenue sources:

270 (a) all amounts transferred to the fund [~~under Subsection 59-12-103(12)~~] by statute;

271 (b) any voluntary contributions received;

272 (c) appropriations made to the fund by the Legislature; and

273 (d) all amounts received from the repayment of loans made by the impact board under  
274 Section 35A-8-309.

275 (3) The state treasurer shall:

276 (a) invest the money in the fund by following the procedures and requirements of Title  
277 51, Chapter 7, State Money Management Act; and

(b) deposit all interest or other earnings derived from those investments into the fund.

Section 5. Section **35A-8-309** is amended to read:

**35A-8-309. Throughput Infrastructure Fund administered by impact board --**

**Uses -- Review by board -- Annual report -- First project.**

(1) The impact board shall:

(a) make grants and loans from the Throughput Infrastructure Fund created in Section 35A-8-308 for a throughput infrastructure project;

(b) use money transferred to the Throughput Infrastructure Fund [~~in accordance with Subsection 59-12-103(12)~~] by statute to provide a loan or grant to finance the cost of acquisition or construction of a throughput infrastructure project to one or more local political subdivisions, including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal Cooperation Act;

(c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of the fund revolving;

(d) determine provisions for repayment of loans;

(e) establish criteria for awarding loans and grants; and

(f) establish criteria for determining eligibility for assistance under this section.

(2) The cost of acquisition or construction of a throughput infrastructure project includes amounts for working capital, reserves, transaction costs, and other amounts determined by the impact board to be allocable to a throughput infrastructure project.

(3) The impact board may restructure or forgive all or part of a local political subdivision's or interlocal agency's obligation to repay loans for extenuating circumstances.

(4) To receive assistance under this section, a local political subdivision or an interlocal agency shall submit a formal application containing the information that the impact board requires.

(5) (a) The impact board shall:

(i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant before approving the loan or grant and may condition its approval on whatever assurances the impact board considers necessary to ensure that proceeds of the loan or grant will be used in accordance with this section;

(ii) ensure that each loan specifies terms for interest deferments, accruals, and scheduled principal repayment; and



310 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of  
311 the appropriate local political subdivision or interlocal agency issued to the impact board and  
312 payable from the net revenues of a throughput infrastructure project.

313 (b) An instrument described in Subsection (5)(a)(iii) may be:

314 (i) non-recourse to the local political subdivision or interlocal agency; and

315 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

316 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate  
317 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by  
318 the Legislature for the administration of the Throughput Infrastructure Fund.

319 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual  
320 receipts to the fund.

321 (7) The board shall include in the annual written report described in Section 35A-1-  
322 109:

323 (a) the number and type of loans and grants made under this section; and

324 (b) a list of local political subdivisions or interlocal agencies that received assistance  
325 under this section.

326 (8) (a) The first throughput infrastructure project considered by the impact board shall  
327 be a bulk commodities ocean terminal project.

328 (b) Upon receipt of an application from an interlocal agency created for the sole  
329 purpose of undertaking a throughput infrastructure project that is a bulk commodities ocean  
330 terminal project, the impact board shall:

331 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the interlocal  
332 agency to pay or reimburse costs incurred by the interlocal agency preliminary to its  
333 acquisition of the throughput infrastructure project; and

334 (ii) fund the interlocal agency's application if the application meets all criteria  
335 established by the impact board.

336 Section 6. Section **59-10-1019** is amended to read:

337 **59-10-1019. Definitions – Nonrefundable retirement tax credits.**

338 (1) As used in this section:

339 (a) "Eligible age 65 or older retiree" means a claimant, regardless of whether that  
340 claimant is retired, who:

341 (i) is 65 years of age or older; and

342 (ii) (A) for a taxable year beginning on or after January 1, 2008, but beginning on or  
343 before December 31, 2021, was born on or before December 31, 1952; or

344 (B) for a taxable year beginning on or after January 1, 2022, was born on or before  
345 December 31, 1962.

346 [(b) (i) "Eligible retirement income" means income received by an eligible under age  
347 65 retiree as a pension or annuity if that pension or annuity is:]

348 [(A) paid to the eligible under age 65 retiree or the surviving spouse of an eligible  
349 under age 65 retiree; and]

350 [(B) (I) paid from an annuity contract purchased by an employer under a plan that  
351 meets the requirements of Section 404(a)(2), Internal Revenue Code;]

352 [(II) purchased by an employee under a plan that meets the requirements of Section  
353 408, Internal Revenue Code; or]

354 [(III) paid by:]

355 [(Aa) the United States;]

356 [(Bb) a state or a political subdivision of a state; or]

357 [(Cc) the District of Columbia.]

358 [(ii) "Eligible retirement income" does not include amounts received by the spouse of a  
359 living eligible under age 65 retiree because of the eligible under age 65 retiree's having been  
360 employed in a community property state.]

361 [(e) "Eligible under age 65 retiree" means a claimant, regardless of whether that  
362 claimant is retired, who:]

363 [(i) is younger than 65 years of age;]

364 [(ii) was born on or before December 31, 1952; and]

365 [(iii) has eligible retirement income for the taxable year for which a tax credit is  
366 claimed under this section.]

367 [(d)] (b) "Head of household filing status" [is-as] means the same as that term is  
368 defined in Section 59-10-1018.

369 [(e)] (c) "Joint filing status" [is-as] means the same as that term is defined in Section  
370 59-10-1018.

371 [(f)] (d) "Married filing separately status" means a married individual who:

372 (i) does not file a single federal individual income tax return jointly with that married  
373 individual's spouse for the taxable year; and

(ii) files a single federal individual income tax return for the taxable year.

~~[(g)]~~ (e) "Modified adjusted gross income" means the sum of an eligible age 65 or older retiree's ~~[or eligible under age 65 retiree's]~~:

(i) adjusted gross income for the taxable year for which a tax credit is claimed under this section;

(ii) any interest income that is not included in adjusted gross income for the taxable year described in Subsection (1)~~[(g)]~~(e)(i); and

(iii) any addition to adjusted gross income required by Section 59-10-114 for the taxable year described in Subsection (1)~~[(g)]~~(e)(i).

~~[(h)]~~ (f) "Single filing status" means a single individual who files a single federal individual income tax return for the taxable year.

(2) Except as provided in Section 59-10-1002.2 and subject to Subsections (3) through ~~[(5):]~~ (4), each eligible age 65 or older retiree may claim a nonrefundable tax credit of \$650 against taxes otherwise due under this part.

~~[(a) each eligible age 65 or older retiree may claim a nonrefundable tax credit of \$450 against taxes otherwise due under this part; or]~~

~~[(b) each eligible under age 65 retiree may claim a nonrefundable tax credit against taxes otherwise due under this part in an amount equal to the lesser of:]~~

~~[(i) \$288; or]~~

~~[(ii) the product of:]~~

~~[(A) the eligible under age 65 retiree's eligible retirement income for the taxable year for which the eligible under age 65 retiree claims a tax credit under this section; and]~~

~~[(B) 6%.]~~

~~[(3) A tax credit under this section may not be carried forward or carried back.]~~

(3) An eligible age 65 or older retiree may not carry forward or carry back a tax credit under this section.

(4) The sum of the tax credits allowed by Subsection (2) claimed on one return filed under this part shall be reduced by \$.025 for each dollar by which modified adjusted gross income for purposes of the return exceeds:

(a) for a federal individual income tax return that is allowed a married filing separately status, \$16,000;



405 (b) for a federal individual income tax return that is allowed a single filing status,  
406 \$25,000;

407 (c) for a federal individual income tax return that is allowed a head of household filing  
408 status, \$32,000; or

409 (d) for a return under this chapter that is allowed a joint filing status, \$32,000.

410 ~~[(5) For purposes of determining the ownership of items of retirement income under~~  
411 ~~this section, common law doctrine shall be applied in all cases even though some items of~~  
412 ~~retirement income may have originated from service or investments in a community property~~  
413 ~~state.]~~

414 (5) (a) On or before August 15, the commission shall:

415 (i) estimate the loss to the Education Fund during the previous fiscal year from the  
416 difference between a \$650 tax credit for a retiree described in Subsection (1)(a)(ii)(B) and a  
417 \$450 tax credit for a retiree described in Subsection (1)(a)(ii)(A); and

418 (ii) notify the Division of Finance of the amount described in Subsection (5)(a)(i).

419 (b) Within 10 days of receiving the notice from the commission, the Division of  
420 Finance shall transfer from the Carbon Emissions Tax Expendable Revenue Fund created in  
421 Section 59-30-301 into the Education Fund an amount equal to the amount in the notice.

422 Section 7. Section **59-10-1102.1** is enacted to read:

423 **59-10-1102.1. Apportionment of tax credit.**

424 A nonresident individual or a part-year resident individual who claims the tax credit  
425 described in Section 59-10-1113 may only claim an apportioned amount of the tax credit equal  
426 to the product of:

427 (1) the state income tax percentage for a nonresident individual or the state income tax  
428 percentage for a part-year resident individual; and

429 (2) the amount of the tax credit that the nonresident individual or the part-year resident  
430 individual would have been allowed to claim but for the apportionment requirement of this  
431 section.

432 Section 8. Section **59-10-1113** is enacted to read:

433 **59-10-1113. Refundable state earned income tax credit -- Definitions -- Tax credit**  
434 **calculation -- Transfers from Carbon Emissions Tax Expendable Revenue Fund.**

435 (1) As used in this section:

436 (a) "Federal earned income tax credit" means the federal earned income tax credit  
437 described in Section 32, Internal Revenue Code.

438 (b) "Qualifying claimant" means a resident or nonresident individual who claimed the  
439 federal earned income tax credit for the previous taxable year.

440 (2) Except as provided in Section 59-10-1102.1, a qualifying claimant may claim a  
441 refundable earned income tax credit equal to 20% of the amount of the federal earned income  
442 tax credit that the qualifying claimant was entitled to claim on a federal income tax return in  
443 the previous taxable year.

444 (3) The Division of Finance shall transfer at least annually from the Carbon Emissions  
445 Tax Expendable Revenue Fund created in Section 59-30-301 into the Education Fund an  
446 amount equal to the amount of tax credit claimed under this section.

447 Section 9. Section **59-12-103** is amended to read:

448 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
449 **tax revenue.**

450 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or  
451 sales price for amounts paid or charged for the following transactions:

452 (a) retail sales of tangible personal property made within the state;

453 (b) amounts paid for:

454 (i) telecommunications service, other than mobile telecommunications service, that  
455 originates and terminates within the boundaries of this state;

456 (ii) mobile telecommunications service that originates and terminates within the  
457 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
458 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

459 (iii) an ancillary service associated with a:

460 (A) telecommunications service described in Subsection (1)(b)(i); or

461 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

462 (c) sales of the following for commercial use:

463 (i) gas;

464 (ii) electricity;

465 (iii) heat;

466 (iv) coal;

467 (v) fuel oil; or

- 468 (vi) other fuels;
- 469 (d) sales of the following for residential use:
- 470 (i) gas;
- 471 (ii) electricity;
- 472 (iii) heat;
- 473 (iv) coal;
- 474 (v) fuel oil; or
- 475 (vi) other fuels;
- 476 (e) sales of prepared food;
- 477 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 478 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 479 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 480 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed
- 481 circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf,
- 482 golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 483 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 484 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 485 exhibition, cultural, or athletic activity;
- 486 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 487 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 488 (i) the tangible personal property; and
- 489 (ii) parts used in the repairs or renovations of the tangible personal property described
- 490 in Subsection (1)(g)(i), regardless of whether:
- 491 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 492 property; or
- 493 (B) the particular parts used in the repairs or renovations of that tangible personal
- 494 property are exempt from a tax under this chapter;
- 495 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 496 assisted cleaning or washing of tangible personal property;
- 497 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 498 accommodations and services that are regularly rented for less than 30 consecutive days;
- 499 (j) amounts paid or charged for laundry or dry cleaning services;

500 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
501 this state the tangible personal property is:

502 (i) stored;

503 (ii) used; or

504 (iii) otherwise consumed;

505 (l) amounts paid or charged for tangible personal property if within this state the  
506 tangible personal property is:

507 (i) stored;

508 (ii) used; or

509 (iii) consumed; and

510 (m) amounts paid or charged for a sale:

511 (i) (A) of a product transferred electronically; or

512 (B) of a repair or renovation of a product transferred electronically; and

513 (ii) regardless of whether the sale provides:

514 (A) a right of permanent use of the product; or

515 (B) a right to use the product that is less than a permanent use, including a right:

516 (I) for a definite or specified length of time; and

517 (II) that terminates upon the occurrence of a condition.

518 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
519 are imposed on a transaction described in Subsection (1) equal to the sum of:

520 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

521 ~~[(A) (I) through March 31, 2019, 4.70%; and]~~

522 ~~[(H) (A) [beginning on April 1, 2019,] 4.70% plus the rate specified in Subsection~~

523 ~~[(14)] (12)(a); and~~

524 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
525 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
526 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
527 State Sales and Use Tax Act; and

528 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
529 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
530 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
531 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

532 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
533 transaction under this chapter other than this part.

534 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are  
535 imposed on a transaction described in Subsection (1)(c) or (d) equal to the sum of:

536 ~~[(i) a state tax imposed on the transaction at a tax rate of 2%; and]~~

537 (i) (A) through December 31, 2021, a state tax imposed on a transaction described in  
538 Subsection (1)(c) at the rate described in Subsection (2)(a)(i) and a transaction described in  
539 Subsection (1)(d) at a rate of 2%; and

540 (B) beginning on January 1, 2022, a state tax imposed on the transaction at a tax rate of  
541 0%; and

542 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
543 transaction under this chapter other than this part.

544 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are  
545 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

546 (i) (A) through December 31, 2021, a state tax imposed on the amounts paid or  
547 charged for food and food ingredients at a tax rate of 1.75%; and

548 (B) beginning on January 1, 2022, a state tax imposed on the amounts paid or charged  
549 for food and food ingredients at a tax rate of 0%; and

550 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
551 amounts paid or charged for food and food ingredients under this chapter other than this part.

552 (d) (i) For a bundled transaction that is attributable to food and food ingredients and  
553 tangible personal property other than food and food ingredients, a state tax and a local tax is  
554 imposed on the entire bundled transaction equal to the sum of:

555 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

556 (I) the tax rate described in Subsection (2)(a)(i)(A); and

557 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
558 Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-  
559 211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
560 Additional State Sales and Use Tax Act; and

561 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
562 Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-



563 211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the  
564 state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

565 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
566 described in Subsection (2)(a)(ii).

567 (ii) If an optional computer software maintenance contract is a bundled transaction that  
568 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
569 similar billing document, the purchase of the optional computer software maintenance contract  
570 is 40% taxable under this chapter and 60% nontaxable under this chapter.

571 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled  
572 transaction described in Subsection (2)(d)(i) or (ii):

573 (A) if the sales price of the bundled transaction is attributable to tangible personal  
574 property, a product, or a service that is subject to taxation under this chapter and tangible  
575 personal property, a product, or service that is not subject to taxation under this chapter, the  
576 entire bundled transaction is subject to taxation under this chapter unless:

577 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
578 personal property, product, or service that is not subject to taxation under this chapter from the  
579 books and records the seller keeps in the seller's regular course of business; or

580 (II) state or federal law provides otherwise; or

581 (B) if the sales price of a bundled transaction is attributable to two or more items of  
582 tangible personal property, products, or services that are subject to taxation under this chapter  
583 at different rates, the entire bundled transaction is subject to taxation under this chapter at the  
584 higher tax rate unless:

585 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
586 personal property, product, or service that is subject to taxation under this chapter at the lower  
587 tax rate from the books and records the seller keeps in the seller's regular course of business; or

588 (II) state or federal law provides otherwise.

589 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
590 seller's regular course of business includes books and records the seller keeps in the regular  
591 course of business for nontax purposes.

592 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
593 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
594 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental

595 of tangible personal property, other property, a product, or a service that is not subject to  
596 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
597 the seller, at the time of the transaction:

598 (A) separately states the portion of the transaction that is not subject to taxation under  
599 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

600 (B) is able to identify by reasonable and verifiable standards, from the books and  
601 records the seller keeps in the seller's regular course of business, the portion of the transaction  
602 that is not subject to taxation under this chapter.

603 (ii) A purchaser and a seller may correct the taxability of a transaction if:

604 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
605 the transaction that is not subject to taxation under this chapter was not separately stated on an  
606 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
607 ignorance of the law; and

608 (B) the seller is able to identify by reasonable and verifiable standards, from the books  
609 and records the seller keeps in the seller's regular course of business, the portion of the  
610 transaction that is not subject to taxation under this chapter.

611 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
612 in the seller's regular course of business includes books and records the seller keeps in the  
613 regular course of business for nontax purposes.

614 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible  
615 personal property, products, or services that are subject to taxation under this chapter at  
616 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
617 unless the seller, at the time of the transaction:

618 (A) separately states the items subject to taxation under this chapter at each of the  
619 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

620 (B) is able to identify by reasonable and verifiable standards the tangible personal  
621 property, product, or service that is subject to taxation under this chapter at the lower tax rate  
622 from the books and records the seller keeps in the seller's regular course of business.

623 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the  
624 seller's regular course of business includes books and records the seller keeps in the regular  
625 course of business for nontax purposes.

626 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax  
627 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 628 (i) Subsection (2)(a)(i)(A);
- 629 (ii) Subsection (2)(b)(i);
- 630 (iii) Subsection (2)(c)(i); or
- 631 (iv) Subsection (2)(d)(i)(A)(I).

632 (h) (i) A tax rate increase takes effect on the first day of the first billing period that  
633 begins on or after the effective date of the tax rate increase if the billing period for the  
634 transaction begins before the effective date of a tax rate increase imposed under:

- 635 (A) Subsection (2)(a)(i)(A);
- 636 (B) Subsection (2)(b)(i);
- 637 (C) Subsection (2)(c)(i); or
- 638 (D) Subsection (2)(d)(i)(A)(I).

639 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
640 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
641 or the tax rate decrease imposed under:

- 642 (A) Subsection (2)(a)(i)(A);
- 643 (B) Subsection (2)(b)(i);
- 644 (C) Subsection (2)(c)(i); or
- 645 (D) Subsection (2)(d)(i)(A)(I).

646 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is  
647 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or  
648 change in a tax rate takes effect:

- 649 (A) on the first day of a calendar quarter; and
- 650 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

651 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

- 652 (A) Subsection (2)(a)(i)(A);
- 653 (B) Subsection (2)(b)(i);
- 654 (C) Subsection (2)(c)(i); or
- 655 (D) Subsection (2)(d)(i)(A)(I).

656 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
657 the commission may by rule define the term "catalogue sale."

~~[(3)(a) The following state taxes shall be deposited into the General Fund:]~~

(3) (a) The Division of Finance shall deposit the following state taxes into the General Fund:

(i) the tax imposed by Subsection (2)(a)(i)(A);

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); ~~[or]~~

(iv) the tax imposed by Subsection (2)(d)(i)(A)(I)~~[-]~~; and

(v) the amount described in Subsection 59-30-301(5)(b)(i).

~~(b) The [following local taxes shall be distributed]~~ commission shall distribute the following local taxes to a county, city, or town as provided in this chapter:

(i) the tax imposed by Subsection (2)(a)(ii);

(ii) the tax imposed by Subsection (2)(b)(ii);

(iii) the tax imposed by Subsection (2)(c)(ii); and

(iv) the tax imposed by Subsection (2)(d)(i)(B).

(c) For purposes of this section, the amount described in Subsection (3)(a)(v) shall be considered revenue from a sales and use tax imposed on items described in Subsection (1).

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

(A) by a 1/16% tax rate on the transactions described in Subsection (1); and

(B) for the fiscal year; or

(ii) \$17,500,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Department of Natural Resources to:

(A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

689 (ii) Money transferred to the Department of Natural Resources under Subsection  
690 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
691 person to list or attempt to have listed a species as threatened or endangered under the  
692 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

693 (iii) At the end of each fiscal year:

694 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
695 Conservation and Development Fund created in Section 73-10-24;

696 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
697 Program Subaccount created in Section 73-10c-5; and

698 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
699 Program Subaccount created in Section 73-10c-5.

700 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
701 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
702 created in Section 4-18-106.

703 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
704 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
705 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
706 water rights.

707 (ii) At the end of each fiscal year:

708 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
709 Conservation and Development Fund created in Section 73-10-24;

710 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
711 Program Subaccount created in Section 73-10c-5; and

712 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
713 Program Subaccount created in Section 73-10c-5.

714 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount  
715 described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and  
716 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

717 (ii) In addition to the uses allowed of the Water Resources Conservation and  
718 Development Fund under Section 73-10-24, the Water Resources Conservation and  
719 Development Fund may also be used to:



720 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
721 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
722 quantifying surface and ground water resources and describing the hydrologic systems of an  
723 area in sufficient detail so as to enable local and state resource managers to plan for and  
724 accommodate growth in water use without jeopardizing the resource;

725 (B) fund state required dam safety improvements; and

726 (C) protect the state's interest in interstate water compact allocations, including the  
727 hiring of technical and legal staff.

728 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
729 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount  
730 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

731 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
732 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount  
733 created in Section 73-10c-5 for use by the Division of Drinking Water to:

734 (i) provide for the installation and repair of collection, treatment, storage, and  
735 distribution facilities for any public water system, as defined in Section 19-4-102;

736 (ii) develop underground sources of water, including springs and wells; and

737 (iii) develop surface water sources.

738 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
739 2006, the difference between the following amounts shall be expended as provided in this  
740 Subsection (5), if that difference is greater than \$1:

741 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
742 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

743 (ii) \$17,500,000.

744 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

745 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
746 credits; and

747 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
748 restoration.

749 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
750 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
751 created in Section 73-10-24.

752 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
753 remaining difference described in Subsection (5)(a) shall be:

754 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
755 credits; and

756 (B) expended by the Division of Water Resources for cloud-seeding projects  
757 authorized by Title 73, Chapter 15, Modification of Weather.

758 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
759 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
760 created in Section 73-10-24.

761 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
762 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
763 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
764 Division of Water Resources for:

765 (i) preconstruction costs:

766 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
767 26, Bear River Development Act; and

768 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
769 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

770 (ii) the cost of employing a civil engineer to oversee any project authorized by Title  
771 73, Chapter 26, Bear River Development Act;

772 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
773 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

774 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and  
775 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

776 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
777 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be  
778 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
779 incurred for employing additional technical staff for the administration of water rights.

780 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
781 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
782 Fund created in Section 73-10-24.

783 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the  
784 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection  
785 (1) for the fiscal year shall be deposited as follows:

786 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
787 shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-  
788 124;

789 (b) for fiscal year 2017-18 only:

790 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the  
791 Transportation Investment Fund of 2005 created by Section 72-2-124; and

792 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the  
793 Water Infrastructure Restricted Account created by Section 73-10g-103;

794 (c) for fiscal year 2018-19 only:

795 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the  
796 Transportation Investment Fund of 2005 created by Section 72-2-124; and

797 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the  
798 Water Infrastructure Restricted Account created by Section 73-10g-103;

799 (d) for fiscal year 2019-20 only:

800 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the  
801 Transportation Investment Fund of 2005 created by Section 72-2-124; and

802 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the  
803 Water Infrastructure Restricted Account created by Section 73-10g-103;

804 (e) for fiscal year 2020-21 only:

805 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the  
806 Transportation Investment Fund of 2005 created by Section 72-2-124; and

807 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the  
808 Water Infrastructure Restricted Account created by Section 73-10g-103; and

809 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described  
810 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account  
811 created by Section 73-10g-103.

812 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
813 Subsection (6), and subject to Subsection (7)(b)(d), ~~[for a fiscal year beginning on or after~~  
814 ~~July 1, 2012]~~ for each fiscal year, the Division of Finance shall deposit into the Transportation

815 Investment Fund of 2005 created by Section 72-2-124[:] the amounts described in Subsections  
816 (7)(b) and (c).

817 ~~[(+)]~~ (b) The Division of Finance shall deposit a portion of the taxes listed under  
818 Subsection (3)(a) in an amount equal to 8.3% of the ~~[revenues]~~ revenue collected from the  
819 following taxes, which represents a portion of the approximately 17% of sales and use tax  
820 ~~[revenues generated annually by the sales and use tax on vehicles and vehicle-related products]~~  
821 revenue that the sales and use tax on vehicles and vehicle-related products generates:

822 ~~[(A)]~~ (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

823 ~~[(B) the tax imposed by Subsection (2)(b)(i);]~~

824 ~~[(C) the tax imposed by Subsection (2)(c)(i); and]~~

825 ~~[(D)]~~ (ii) the tax imposed by Subsection (2)(d)(i)(A)(I); [plus] and

826 ~~[(ii) an amount equal to 30% of the growth in the amount of revenues collected in the~~  
827 ~~current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through~~  
828 ~~(D) that exceeds the amount collected from the sales and use taxes described in Subsections~~  
829 ~~(7)(a)(i)(A) through (D) in the 2010-11 fiscal year.]~~

830 (iii) the amount described in Subsection 59-30-301(5)(b)(i).

831 (c) (i) Subject to Subsections (7)(c)(ii) and (iii), the Division of Finance shall deposit  
832 an amount equal to 30% of the growth in the amount of revenue calculated by subtracting the  
833 amount of sale and use taxes collected in the current fiscal year from the amount of the sales  
834 and use taxes collected in the 2010-11 fiscal year.

835 (ii) The amount of sales and use taxes collected in the current fiscal year equals the  
836 sum of the amounts described in Subsections (7)(b)(i) through (iii).

837 (iii) The amount of sales and use taxes collected in the 2010-11 fiscal year equals the  
838 sum of the sales and use taxes imposed by and collected under:

839 (A) Subsection (2)(a)(i)(A);

840 (B) Subsection (2)(b)(i);

841 (C) Subsection (2)(c)(i); and

842 (D) Subsection (2)(d)(i)(A)(I).

843 ~~[(+)]~~ (d) (i) Subject to Subsections (7)[(+)](d)(ii) and (iii), in any fiscal year that the  
844 portion of the sales and use taxes deposited under Subsection (7)(a) represents an amount that  
845 is a total lower percentage of the sales and use taxes described in Subsections [(7)(a)(i)(A)  
846 through (D)] (7)(b)(i) through (iii) generated in the current fiscal year than the total percentage

847 of sales and use taxes deposited in the previous fiscal year, the Division of Finance shall  
848 deposit an amount under Subsection (7)(a) equal to the product of:

849 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the  
850 previous fiscal year; and

851 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
852 ~~[(7)(a)(i)(A) through (D)]~~ (7)(b)(i) through (iii) in the current fiscal year.

853 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
854 Subsection (7)(a) would exceed 17% of the ~~[revenues]~~ revenue collected from the sales and use  
855 taxes described in Subsections ~~[(7)(a)(i)(A) through (D)]~~ (7)(b)(i) through (iii) in the current  
856 fiscal year, the Division of Finance shall deposit 17% of the ~~[revenues]~~ revenue collected from  
857 the sales and use taxes described in Subsections ~~[(7)(a)(i)(A) through (D)]~~ (7)(b)(i) through  
858 (iii) for the current fiscal year under Subsection (7)(a).

859 ~~[(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected~~  
860 ~~from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited~~  
861 ~~under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues~~  
862 ~~collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the~~  
863 ~~current fiscal year under Subsection (7)(a).]~~

864 (iii) In all subsequent fiscal years after the year in which the Division of Finance  
865 deposits, under Subsection (7)(a), 17% of the revenue collected from the sales and use taxes  
866 described in Subsections (7)(b)(i) through (iii), the Division of Finance shall deposit annually  
867 17% of the revenue collected from the sales and use taxes described in Subsections (7)(b)(i)  
868 through (iii) in the current fiscal year under Subsection (7)(a).

869 ~~[(8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited~~  
870 ~~under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall~~  
871 ~~deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into~~  
872 ~~the Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

873 ~~[(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~  
874 ~~Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit~~  
875 ~~\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the~~  
876 ~~Transportation Investment Fund of 2005 created by Section 72-2-124.]~~

877 ~~[(e) (i)]~~ (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited  
878 under Subsections (6) and (7), and subject to Subsection (8)~~[(e) (i)]~~(b), for a fiscal year



beginning on or after July 1, ~~[2018]~~ 2021, the commission shall ~~[annually]~~ deposit annually into the Transportation Investment Fund of 2005 created by Section 72-2-124 ~~[a portion of the taxes listed under Subsection (3)(a) in]~~ an amount equal to 3.68% of ~~[the revenues collected from the following taxes]:~~

~~[(A) the]~~ (i) the revenue collected by the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

~~[(B) the tax imposed by Subsection (2)(b)(i);]~~

~~[(C) the tax imposed by Subsection (2)(c)(i); and]~~

~~[(D) the]~~ (ii) the revenue collected by the tax imposed by Subsection (2)(d)(i)(A)(I)~~[-]~~; and

(iii) the amount described in Subsection 59-30-301(5)(b)(i).

~~[(ii)]~~ (b) For a fiscal year beginning on or after July 1, 2019, the commission shall ~~[annually]~~ reduce annually the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)~~[(i)]~~ by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

~~[(iii)]~~ (c) The commission shall ~~[annually]~~ deposit annually the amount described in Subsection (8)~~[(e)(ii)]~~(b) into the Transit Transportation Investment Fund created in Section 72-2-124.

(9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

~~[(10)(a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(e), in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on the transactions described in Subsection (1).]~~

~~[(b)]~~ (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)~~[(e)]~~(b), and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of revenue described as follows:

910 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%  
911 tax rate on the transactions described in Subsection (1);

912 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%  
913 tax rate on the transactions described in Subsection (1);

914 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%  
915 tax rate on the transactions described in Subsection (1);

916 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
917 .05% tax rate on the transactions described in Subsection (1); and

918 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%  
919 tax rate on the transactions described in Subsection (1).

920 ~~[(e)]~~ (b) For purposes of ~~[Subsections (10)(a) and (b)]~~ Subsection (10)(a), the Division  
921 of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue  
922 generated by amounts paid or charged for food and food ingredients, except for tax revenue  
923 generated by a bundled transaction attributable to food and food ingredients and tangible  
924 personal property other than food and food ingredients described in Subsection (2)(d).

925 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
926 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that  
927 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of  
928 Finance shall, for two consecutive fiscal years, ~~[annually]~~ annually deposit \$1,900,000 of the  
929 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation  
930 Fund, created in Section 63N-2-512.

931 ~~[(12)(a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the~~  
932 ~~Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed~~  
933 ~~under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-~~  
934 ~~308.]~~

935 ~~[(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division~~  
936 ~~of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under~~  
937 ~~Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.]~~

938 ~~[(13)]~~ (12) (a) The rate specified in this subsection is 0.15%.

939 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall ~~[(i) on or before~~  
940 ~~September 30, 2019, transfer the amount of revenue collected from the rate described in~~  
941 ~~Subsection 14(a) beginning on April 1, 2019, and ending on June 30, 2019, on the transactions~~

942 ~~that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid~~  
943 ~~Expansion Fund created in Section 26-36b-208; and (ii)]~~ for a fiscal year beginning on or after  
944 July 1, 2019, annually transfer the amount of revenue collected from the rate described in  
945 Subsection [(43)]12(a) on the transactions that are subject to the sales and use tax under  
946 Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26-36b-208.

947 (13) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July  
948 1, 2021, the Division of Finance shall deposit annually into the Carbon Emissions Expendable  
949 Revenue Fund, created in Section 59-30-301, a portion of the taxes described in Subsection  
950 (3)(a) in an amount equal to 95% of the lesser of:

951 (i) the total amount the Division of Finance is required to deposit into the  
952 Transportation Investment Fund of 2005 under Subsections (7), (8), and (10); and

953 (ii) the revenue the Division of Finance deposits into the Transportation Investment  
954 Fund of 2005 under Sections 59-30-201 and 59-30-202.

955 (b) Notwithstanding Subsections (7), (8), and (10), the Division of Finance shall  
956 reduce the deposits into the Transportation Investment Fund of 2005 required under  
957 Subsections (7), (8), and (10) in an amount equal to the deposit described in Subsection  
958 (13)(a).

959 Section 10. Section **59-30-101** is enacted to read:

960 **CHAPTER 30. CARBON EMISSIONS TAX ACT**

961 **Part 1. General Provisions**

962 **59-30-101. Title.**

963 This chapter is known as "Carbon Emissions Tax Act."

964 Section 11. Section **59-30-102** is enacted to read:

965 **59-30-102. Definitions.**

966 As used in this chapter:

967 (1) "Aviation fuel" means the same as that term is defined in Section 59-13-102.

968 (2) "Consumer Price Index" means the Consumer Price Index for All Urban

969 Consumers as published by the Bureau of Labor Statistics of the United States Department of  
970 Labor.

971 (3) "Distributor" means the same as that term is defined in Section 59-13-102.

972 (4) "Dyed diesel fuel" means the same as that term is defined in Section 59-13-102.

973 (5) "Electricity" means electrical energy for consumption.

974 (6) "Electricity provider" means a person in this state that delivers electricity to  
975 customers for consumption.

976 (7) "Facility" means any physical property, plant, building, structure, source, or  
977 stationary equipment located on one or more contiguous or adjacent properties in actual  
978 physical contact or separated solely by a public roadway or other public right of way and under  
979 common ownership or common control, that emits or may emit any greenhouse gas.

980 (8) "Federally certificated air carrier" means the same as that term is defined in Section  
981 59-13-102.

982 (9) "Fossil fuel" means a petroleum product, motor fuel, special fuel, aviation fuel,  
983 natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from these  
984 products, including still gas, propane, and petroleum residuals.

985 (10) "Industrial use" means the same as that term is defined in Section 59-12-102,  
986 except that industrial use also includes pipeline transportation at an establishment described in  
987 a NAICS code within NAICS Subsector 486, Pipeline Transportation, of the 2017 North  
988 American Industry Classification System of the federal Executive Office of the President,  
989 Office of Management and Budget.

990 (11) (a) "Large emitter" means a facility that emits a combined total of over 10,000  
991 metric tons of carbon dioxide in a calendar year from combustion of coal, dyed diesel fuel, or  
992 fuel gas.

993 (b) "Large emitter" does not include an electricity provider, a person that provides  
994 electricity to an electricity provider to deliver for consumption, or a person that generates  
995 electricity.

996 (12) "Metric ton" means 2,205 pounds.

997 (13) "Motor fuel" means the same as that term is defined in Section 59-13-102.

998 (14) "Natural gas" means the same as that term is defined in Section 59-5-101.

999 (15) "Operator" means a person engaged in the operation of a large emitter in this state.

1000 (16) "Political subdivision" means the same as that term is defined in Section 11-55-  
1001 102.

1002 (17) "Removal" means the same as that term is defined in Section 59-13-102.

1003 (18) "Special fuel" means the same as that term is defined in Section 59-13-102, except  
1004 that special fuel does not include natural gas.

1005 (19) "Supplier" means the same as that term is defined in Section 59-13-102.

(20) "Terminal" means the same as that term is defined in Section 59-13-102.

(21) "Undyed diesel fuel" means the same as that term is defined in Section 59-13-102.

Section 12. Section **59-30-103** is enacted to read:

**59-30-103. Records.**

(1) A taxpayer under this chapter shall maintain records, statements, books, or accounts:

(a) necessary to determine the amount of carbon emissions tax for which the taxpayer is liable to pay under this chapter; and

(b) for the time period during which an assessment may be made under Section 59-1-1408.

(2) The commission may require a taxpayer, by notice served upon the taxpayer, to make or keep the records, statements, books, or accounts described in Subsection (1) in a manner in which the commission considers sufficient to show the amount of carbon emissions tax for which the taxpayer is liable to pay under this chapter.

(3) After notice by the commission, the taxpayer shall open the records, statements, books, or accounts specified in this section for examination by the commission or an authorized agent of the commission.

Section 13. Section **59-30-104** is enacted to read:

**59-30-104. Amended return for large emitter or electricity provider.**

(1) (a) An operator of a large emitter shall file an amended return for a tax due under this chapter if:

(i) the large emitter determines or becomes aware of an error in the written certification obtained in accordance with Section 19-1-207; and

(ii) the error in the written certification resulted in:

(A) an overpayment of tax for which the large emitter requests a refund; or

(B) an underpayment of tax.

(b) An operator that files an amended return due to an underpayment of tax shall remit the tax due with the amended return.

(2) (a) An electricity provider shall file an amended return for a tax due under this chapter if:

(i) the electricity provider determines or becomes aware of an error in the written certification obtained in accordance with Section 19-1-208; and



(ii) the error in the written certification resulted in:

(A) an overpayment of tax for which the electricity provider requests a refund; or

(B) an underpayment of tax.

(b) An electricity provider that files an amended return due to an underpayment of tax shall remit the tax due with the amended return.

Section 14. Section **59-30-201** is enacted to read:

**Part 2. Imposition of Carbon Emissions Tax**

**59-30-201. Imposition of a carbon emissions tax on motor fuel.**

(1) (a) Except as otherwise provided in this section or this chapter, a distributor shall pay, beginning on January 1, 2022, a carbon emissions tax on motor fuel that is sold, used, or received for sale or use in this state.

(b) Subject to Subsection (1)(c), the rate of the tax imposed in this section is as follows:

(i) beginning on January 1, 2022, and ending on December 31, 2022, at a rate of 10.67 cents per gallon; and

(ii) beginning on January 1, 2023, and thereafter, at a rate determined by increasing the rate effective January 1 of the previous year:

(A) by 3.5% plus a percentage equal to the greater of the actual percent change during the previous fiscal year in the Consumer Price Index and 0; and

(B) up to the nearest 100th of a cent.

(c) (i) Subject to Subsection (1)(c)(ii), the tax rate described in this Subsection (1) may not exceed 88.9 cents.

(ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the maximum tax rate described in Subsection (1)(c)(i) by adding to the maximum tax rate an amount equal to the greater of:

(A) the amount calculated by multiplying the maximum tax rate for the previous calendar year by the actual percent change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(d) Any increase in the tax rate applies to motor fuel that is imported into the state for sale or use in this state or sold at refineries in the state on or after the effective date of the rate change.

1070       (2) A carbon emissions tax is not imposed under this section on:  
1071       (a) motor fuel that is brought into and sold in this state in original packages as purely  
1072 interstate commerce sales;  
1073       (b) motor fuel that is exported from this state if proof of actual exportation on forms  
1074 prescribed by the commission is made within 180 days after exportation;  
1075       (c) motor fuel or a component of motor fuel that is sold and used in this state and  
1076 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in  
1077 this state; or  
1078       (d) motor fuel that is sold to the United States government, this state, or a political  
1079 subdivision of this state.  
1080       (3) A distributor shall monthly:  
1081       (a) report to the commission, on electronic forms provided by the commission, the  
1082 amount and type of motor fuel sold, used, or received for sale or use in this state; and  
1083       (b) pay to the commission the carbon emissions tax imposed under this section.  
1084       (4) The commission either may collect no carbon emissions tax on motor fuel exported  
1085 from the state or, upon application, refund the carbon emissions tax paid under this section.  
1086       (5) (a) (i) The commission shall deposit daily the revenue that the commission collects  
1087 under this section with the state treasurer.  
1088       (ii) The state treasurer shall credit the revenue deposited in accordance with Subsection  
1089 (5)(a)(i) to the Transportation Investment Fund of 2005 created in Section 72-2-124.  
1090       (b) The Legislature shall appropriate from the Transportation Investment Fund of 2005  
1091 created in Section 72-2-124 to the commission the amount necessary to cover expenses  
1092 incurred in the administration and enforcement of this section and the collection of the carbon  
1093 emissions tax on motor fuel.  
1094       (6) The refund, credit, administrative, and penalty provisions of Chapter 13, Part 2,  
1095 Motor Fuel, apply to a carbon emissions tax imposed on motor fuel under this section.  
1096       (7) The commission shall apply cooperative agreements under Chapter 13, Part 5,  
1097 Interstate Agreements, to the carbon emissions tax imposed under this section.  
1098       (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1099 commission may make rules governing the procedures for administering and collecting the  
1100 carbon emissions tax imposed under this section.  
1101       Section 15. Section **59-30-202** is enacted to read:

1102 **59-30-202. Imposition of carbon emissions tax on special fuel.**

1103 (1) (a) Except as otherwise provided in this section or this chapter, a supplier of special  
1104 fuel in this state shall pay, beginning on January 1, 2022, a carbon emissions tax on the:

1105 (i) removal of undyed diesel fuel from a refinery;

1106 (ii) removal of undyed diesel fuel from a terminal;

1107 (iii) entry into the state of undyed diesel fuel for consumption, use, sale, or  
1108 warehousing;

1109 (iv) sale of undyed diesel fuel to any person that is not registered as a supplier under  
1110 Chapter 13, Part 3, Special Fuel, unless the tax had been collected under this section;

1111 (v) untaxed special fuel blended with undyed diesel fuel; or

1112 (vi) use of untaxed special fuel other than propane or electricity.

1113 (b) Subject to Subsection (1)(c), the rate of the tax imposed in this section is as  
1114 follows:

1115 (i) beginning on January 1, 2022, and ending on December 31, 2022, 12.19 cents per  
1116 gallon; and

1117 (ii) beginning on January 1, 2023, and thereafter, the rate determined by increasing the  
1118 rate effective January 1 of the previous year:

1119 (A) by 3.5% plus a percentage equal to the greater of the actual percent change during  
1120 the previous fiscal year in the Consumer Price Index and 0; and

1121 (B) up to the nearest 100th of a cent.

1122 (c) (i) Subject to Subsection (1)(c)(ii), the tax rate described in this Subsection (1) may  
1123 not exceed \$1.02 per gallon.

1124 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1125 maximum tax rate described in Subsection (1)(c)(i) by adding to the maximum tax rate an  
1126 amount equal to the greater of:

1127 (A) the amount calculated by multiplying the maximum tax rate for the previous  
1128 calendar year by the actual percent change during the previous fiscal year in the Consumer  
1129 Price Index; and

1130 (B) 0.

1131 (d) The tax imposed under this section shall be imposed only once upon a special fuel.

1132 (2) (a) A carbon emissions tax may not be imposed or collected under this section on  
1133 dyed diesel fuel.

1134 (b) A carbon emissions tax may not be imposed under this section on undyed diesel  
1135 fuel or clean fuel that is:

1136 (i) sold to the United States government or any of the United States government's  
1137 instrumentalities, this state, or a political subdivision of this state;

1138 (ii) exported from this state if proof of actual exportation on forms prescribed by the  
1139 commission is made within 180 days after exportation;

1140 (iii) except as provided in Section 59-30-205, used in a vehicle off highway;

1141 (iv) used to operate a power take-off unit of a vehicle;

1142 (v) used for off-highway agricultural uses;

1143 (vi) used in a separately fueled engine on a vehicle that does not propel the vehicle  
1144 upon the highways of the state; or

1145 (vii) used in machinery and equipment not registered and not required to be registered  
1146 for highway use.

1147 (c) A carbon emissions tax may not be imposed or collected under this section on  
1148 special fuel if the special fuel is:

1149 (i) (A) purchased for business use in machinery and equipment not registered and not  
1150 required to be registered for highway use; and

1151 (B) used pursuant to the conditions of a state implementation plan approved under  
1152 Title 19, Chapter 2, Air Conservation Act; or

1153 (ii) propane or electricity.

1154 (3) A supplier in this state shall monthly:

1155 (a) report to the commission, on electronic forms provided by the commission, the  
1156 amount and type of special fuel:

1157 (i) removed from a refinery;

1158 (ii) removed from a terminal;

1159 (iii) that enters into the state for consumption, use, sale, or warehousing;

1160 (iv) sold to any person that is not registered as a supplier under Chapter 13, Part 3,  
1161 Special Fuel, unless the carbon emissions tax has been collected under this chapter;

1162 (v) blended with undyed diesel fuel and previously untaxed as special fuel; or

1163 (vi) other than propane or electricity, used in this state; and

1164 (b) pay to the commission the carbon emissions tax imposed under this section.

1165       (4) The commission either may collect no carbon emissions tax on special fuel  
1166 exported from the state or, upon application, refund the carbon emissions tax paid under this  
1167 section.

1168       (5) (a) (i) The commission shall deposit daily the revenue that the commission collects  
1169 under this section with the state treasurer.

1170       (ii) The state treasurer shall credit the revenue deposited in accordance with Subsection  
1171 (5)(a)(i) to the Transportation Investment Fund of 2005 created in Section 72-2-124.

1172       (b) The Legislature shall appropriate from the Transportation Investment Fund of 2005  
1173 created in Section 72-2-124 to the commission an amount necessary to cover the expenses  
1174 incurred in the administration and enforcement of this section and the collection of the carbon  
1175 emissions tax under this section.

1176       (6) The refund, credit, administrative, and penalty provisions of Chapter 13, Part 3,  
1177 Special Fuel, apply to a carbon emissions tax imposed under this section.

1178       (7) The commission shall apply cooperative agreements under Chapter 13, Part 5,  
1179 Interstate Agreements, to the carbon emissions tax imposed under this section.

1180       (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1181 commission may make rules governing the procedures for administering and collecting the  
1182 carbon emissions tax imposed under this section.

1183       Section 16. Section **59-30-203** is enacted to read:

1184       **59-30-203. Imposition of carbon emissions tax on aviation fuel.**

1185       (1) (a) Except as otherwise provided in this section or this chapter, a person that is  
1186 required to pay an aviation fuel tax under Chapter 13, Part 4, Aviation Fuel, shall pay,  
1187 beginning on January 1, 2022, a carbon emissions tax on aviation fuel that is sold, used, or  
1188 received for sale or use in this state.

1189       (b) Subject to Subsection (1)(c), the rate of the tax imposed in this section is as  
1190 follows:

1191       (i) beginning on January 1, 2022, and ending on December 31, 2022, 11.48 cents per  
1192 gallon; and

1193       (ii) beginning on January 1, 2023, and thereafter, the rate determined by increasing the  
1194 rate effective January 1 of the previous year:

1195       (A) by 3.5% plus a percentage equal to the greater of the actual percent change during  
1196 the previous fiscal year in the Consumer Price Index and 0; and

1197 (B) up to the nearest 100th of a cent.

1198 (c) (i) Subject to Subsection (1)(c)(ii), the tax rate described in this Subsection (1) may  
1199 not exceed 95.7 cents per gallon.

1200 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1201 maximum tax rate described in Subsection (1)(c)(i) by adding to the maximum tax rate an  
1202 amount equal to the greater of:

1203 (A) the amount calculated by multiplying the maximum tax rate for the previous  
1204 calendar year by the actual percent change during the previous fiscal year in the Consumer  
1205 Price Index; and

1206 (B) 0.

1207 (2) A person described in Subsection (1)(a) shall monthly:

1208 (a) report to the commission, on electronic forms provided by the commission:

1209 (i) the amount of aviation fuel that was purchased;

1210 (ii) the total number of gallons of aviation fuel that were purchased;

1211 (iii) for purchases by a federally certificated air carrier, the number of gallons of  
1212 aviation fuel purchased by the airport at which the federally certificated air carrier purchased  
1213 the aviation fuel; and

1214 (iv) for purchases by a person that is not a federally certificated air carrier the number  
1215 of gallons of aviation fuel purchased by the airport at which the person that is not a federally  
1216 certificated air carrier purchased the aviation fuel; and

1217 (b) pay to the commission the carbon emissions tax imposed under this section.

1218 (3) (a) (i) The commission shall deposit daily the revenue that the commission collects  
1219 under this section with the state treasurer.

1220 (ii) The state treasurer shall deposit the revenue received in accordance with  
1221 Subsection (3)(a)(i) into the Transportation Fund.

1222 (b) The Legislature shall appropriate from the Transportation Fund to the commission  
1223 the amount necessary to cover expenses incurred in the administration and enforcement of this  
1224 section and the collection of the aviation fuel tax.

1225 (c) The Transportation Fund shall fund any refund to which a taxpayer is entitled under  
1226 this section.



1227       (4) The state treasurer shall place an amount equal to the total amount received from  
1228 the carbon emissions tax on the sale or use of aviation fuel in the Aeronautics Restricted  
1229 Account created by Section 72-2-126.

1230       (5) (a) The tax imposed under Subsection (1) shall be allocated as provided in Section  
1231 59-13-402.

1232       (b) Upon appropriation by the Legislature, the allocation to aeronautical operations of  
1233 the Department of Transportation shall be used as provided in the Aeronautics Restricted  
1234 Account created by Section 72-2-126.

1235       (6) (a) The commission shall require reports and returns from distributors, retail  
1236 dealers, and users to enable the commission and the Department of Transportation to allocate  
1237 the revenue in accordance with Section 59-13-402 to be credited to:

1238       (i) the Aeronautics Restricted Account created by Section 72-2-126; and

1239       (ii) the separate accounts of individual airports.

1240       (b) (i) Except as provided by Subsection (6)(b)(ii), any unexpended amount remaining  
1241 in the account of any publicly used airport on the first day of January, April, July, and October  
1242 shall be paid to the authority operating the airport.

1243       (ii) Carbon emissions tax allocated to an airport owned and operated by a city of the  
1244 first class shall be paid to the city treasurer on the first day of each month.

1245       (c) The state treasurer shall deposit carbon emissions tax collected on fuel sold at  
1246 places other than publicly used airports in the Aeronautics Restricted Account created by  
1247 Section 72-2-126.

1248       (7) The refund, credit, administrative, and penalty provisions of Chapter 13, Part 4,  
1249 Aviation Fuel, apply to a carbon emissions tax imposed under this section.

1250       Section 17. Section **59-30-204** is enacted to read:

1251       **59-30-204. Imposition of carbon emissions tax on natural gas.**

1252       (1) As used in this section:

1253       (a) "Natural gas supplier" means a person supplying natural gas to a purchaser.

1254       (b) "Purchaser" means a person in this state that buys natural gas for consumption.

1255       (2) (a) Subject to other provisions of this section and chapter, a purchaser in this state  
1256 shall pay, beginning on January 1, 2022, a carbon emissions tax on natural gas purchases.

1257       (b) A purchaser shall pay the tax imposed under this Subsection (2) to the natural gas  
1258 supplier at the time the purchaser buys the natural gas.

1259 (3) (a) Subject to Subsections (3)(b) and (3)(c), the rate of the tax imposed in this  
1260 section is as follows:

1261 (i) beginning on January 1, 2022, and ending on December 31, 2022, 63.74 cents per  
1262 1,000 cubic feet; and

1263 (ii) beginning on January 1, 2023, and thereafter, the rate determined by increasing the  
1264 rate effective January 1 of the previous year:

1265 (A) by 3.5% plus a percentage equal to the greater of the actual percent change during  
1266 the previous fiscal year in the Consumer Price Index and 0; and

1267 (B) up to the nearest 100th of a cent.

1268 (b) (i) Subject to Subsection (3)(b)(ii), the tax rate described in this Subsection (3) may  
1269 not exceed \$5.31 per 1,000 cubic feet.

1270 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1271 maximum tax rate described in Subsection (3)(b)(i) by adding to the maximum tax rate an  
1272 amount equal to the greater of:

1273 (A) the amount calculated by multiplying the maximum tax rate for the previous  
1274 calendar year by the actual percent change during the previous fiscal year in the Consumer  
1275 Price Index; and

1276 (B) 0.

1277 (c) (i) The tax rate for industrial use shall be 10% of the rate specified in Subsection  
1278 (3)(a).

1279 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1280 percentage amount in Subsection (3)(c)(i) by adjusting it to the lesser of:

1281 (i) five percentage points more than the percentage amount for the previous year; and

1282 (ii) 50%.

1283 (d) Any increase in the tax rate applies to natural gas that is provided to a purchaser on  
1284 or after the effective date of the rate change.

1285 (4) A natural gas supplier shall monthly:

1286 (a) report to the commission, on electronic forms provided by the commission, the  
1287 number of cubic feet of natural gas sold to a purchaser in this state; and

1288 (b) remit to the commission the carbon emissions tax paid under this section.

(5) The commission shall deposit the carbon emissions tax that the commission collects under this section into the Carbon Emissions Tax Expendable Revenue Fund, created in Section 59-30-301.

(6) (a) The following purchasers may file for a refund from the commission of carbon emissions tax paid under this section:

(i) the United States government or any of the United States government's instrumentalities;

(ii) this state or the state's political subdivisions; or

(iii) electricity providers for natural gas purchases that are also subject to a tax under Section 59-30-206.

(b) A purchaser described in Subsection (6)(a) may file a request for a refund quarterly in a manner provided for by the commission.

(c) The Carbon Emissions Tax Expendable Revenue Fund, created in Section 59-30-301, shall fund any refund to which a purchaser is entitled under this section.

(7) (a) A natural gas supplier may not, with intent to evade any tax, fail to timely remit the full amount of tax required by this section.

(b) A violation of this section is punishable as provided in Section 59-1-401.

(c) In addition to the tax due, a person shall pay the penalties described in Section 59-1-401 and the interest described in Section 59-1-402 if the person fails to:

(i) pay any tax to the state or any amount of tax required to be paid to the state, except amounts determined to be due by the commission under Chapter 1, Part 14, Assessment, Collections, and Refunds Act, within the time required by this section; or

(ii) file any return as required by this section.

(8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules governing the procedures for:

(a) administering and collecting the carbon emissions tax imposed under this section; and

(b) issuing a refund of carbon emissions tax paid by purchasers described in Subsection (6).

Section 18. Section **59-30-205** is enacted to read:

**59-30-205. Imposition of carbon emissions tax on large emitter.**

1320 (1) Except as otherwise provided in this chapter, an operator of a large emitter shall  
1321 pay, for a calendar year beginning on or after January 1, 2022, a carbon emissions tax on each  
1322 metric ton of carbon dioxide that the large emitter emitted in this state during the previous  
1323 calendar year from combustion of coal, dyed diesel fuel, or fuel gas.

1324 (2) (a) Subject to Subsections (2)(b) and (2)(c), the tax rate of the carbon emissions tax  
1325 is, for the calendar year that begins on January 1, 2022, \$12 per metric ton of carbon dioxide  
1326 emissions with automatic increases each calendar year:

1327 (i) of 3.5% plus a percentage equal to the greater of the actual percent change during  
1328 the previous fiscal year in the Consumer Price Index and 0; and

1329 (ii) rounded up to the nearest cent.

1330 (b) (i) Subject to Subsection (2)(b)(ii), the tax rate described in this Subsection (2) may  
1331 not exceed \$100 per metric ton of carbon dioxide emissions.

1332 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1333 maximum tax rate described in Subsection (2)(b)(i) by adding to the maximum tax rate an  
1334 amount equal to the greater of:

1335 (A) the amount calculated by multiplying the maximum tax rate for the previous  
1336 calendar year by the actual percent change during the previous fiscal year in the Consumer  
1337 Price Index; and

1338 (B) 0.

1339 (c) (i) The tax rate for carbon dioxide emissions from the combustion of coal, dyed  
1340 diesel fuel, or fuel gas for industrial use shall be 10% of the rate specified in Subsection (2)(a).

1341 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1342 percentage amount in Subsection (2)(c)(i) by adjusting it to the lesser of:

1343 (i) five percentage points more than the percentage amount for the previous year; and

1344 (ii) 50%.

1345 (3) On or before June 30, the operator shall, for the previous calendar year:

1346 (a) report to the commission, on electronic forms provided by the commission, the  
1347 number of metric tons of carbon dioxide emissions listed on the certification obtained in  
1348 accordance with Section 19-1-207;

1349 (b) calculate the amount of carbon emissions tax due by multiplying the applicable tax  
1350 rate described in Subsection (2) by the number of metric tons of carbon dioxide emissions  
1351 reported in accordance with Subsection (3)(a); and

1352 (c) pay to the commission the carbon emissions tax imposed under this section.

1353 (4) The Division of Finance shall deposit the carbon emissions tax that the commission  
1354 collects under this section into the Carbon Emissions Tax Expendable Revenue Fund, created  
1355 in Section 59-30-301.

1356 (5) A large emitter that fails to comply with this chapter is subject to:

1357 (a) penalties described in Section 59-1-401; and

1358 (b) interest described in Section 59-1-402.

1359 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1360 commission may make rules governing the procedures for administering and collecting the  
1361 carbon emissions tax imposed under this section.

1362 Section 19. Section **59-30-206** is enacted to read:

1363 **59-30-206. Imposition of carbon emissions tax on electricity provider.**

1364 (1) Except as otherwise provided in this chapter, an electricity provider shall pay, for a  
1365 calendar year beginning on or after January 1, 2022, a carbon emissions tax on each metric ton  
1366 of carbon dioxide emissions emitted to produce electricity that the electricity provider  
1367 delivered in the state during the previous calendar year.

1368 (2) (a) Subject to Subsections (2)(b) and (2)(c), the tax rate of the carbon emissions tax  
1369 is, for the calendar year that begins on January 1, 2022, \$12 per metric ton of carbon dioxide  
1370 emissions with automatic increases each calendar year:

1371 (i) of 3.5% plus a percentage equal to the greater of the actual percent change during  
1372 the previous fiscal year in the Consumer Price Index and 0; and

1373 (ii) rounded up to the nearest cent.

1374 (b) (i) Subject to Subsection (2)(b)(ii), the tax rate described in this Subsection (2) may  
1375 not exceed \$100 per metric ton of carbon dioxide emissions.

1376 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1377 maximum tax rate described in Subsection (2)(b)(i) by adding to the maximum tax rate an  
1378 amount equal to the greater of:

1379 (A) the amount calculated by multiplying the maximum tax rate for the previous  
1380 calendar year by the actual percent change during the previous fiscal year in the Consumer  
1381 Price Index; and

1382 (B) 0.

1383 (c) (i) The tax rate for carbon dioxide emissions from electricity delivered for industrial  
1384 use shall be 10% of the rate specified in Subsection (2)(a).

1385 (ii) Beginning on January 1, 2023, the commission shall, on January 1, adjust the  
1386 percentage amount in Subsection (2)(c)(i) by adjusting it to the lesser of:

1387 (i) five percentage points more than the percentage amount for the previous year; and

1388 (ii) 50%.

1389 (3) On or before June 30, an electricity provider shall, for the previous calendar year:

1390 (a) report to the commission, on electronic forms provided by the commission:

1391 (i) the number of metric tons of carbon dioxide emissions listed on the certification  
1392 obtained in accordance with Section 19-1-208;

1393 (ii) the percentage of electricity delivered in the state by that electricity provider that  
1394 was delivered for industrial use; and

1395 (iii) the percentage of electricity delivered in the state by that electricity provider that  
1396 was delivered for uses other than industrial use.

1397 (b) calculate the amount of carbon emissions tax due for electricity delivered for  
1398 industrial use by multiplying together:

1399 (i) the applicable tax rate described in Subsection (2);

1400 (ii) the applicable percentage reported in accordance with Subsection (3)(a)(ii); and

1401 (iii) the number of metric tons of carbon dioxide emissions reported in accordance with  
1402 Subsection (3)(a)(i);

1403 (c) calculate the amount of carbon emissions tax due for electricity delivered for uses  
1404 other than industrial use by multiplying together:

1405 (i) the applicable tax rate described in Subsection (2);

1406 (ii) the applicable percentage reported in accordance with Subsection (3)(a)(iii); and

1407 (iii) the number of metric tons of carbon dioxide emissions reported in accordance with  
1408 Subsection (3)(a)(i); and

1409 (d) pay to the commission the carbon emissions tax imposed under this section.

1410 (4) The commission shall deposit the carbon emissions tax that the commission

1411 collects under this section into the Carbon Emissions Tax Expendable Revenue Fund, created  
1412 in Section 59-30-301.

1413 (5) An electricity provider that fails to comply with this chapter is subject to:

1414 (a) penalties described in Section 59-1-401; and



1415 (b) interest described in Section 59-1-402.

1416 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
1417 commission may make rules governing the procedures for administering and collecting the  
1418 carbon emissions tax imposed under this section.

1419 Section 20. Section **59-30-207** is enacted to read:

1420 **59-30-207. Exemptions.**

1421 (1) A carbon emissions tax imposed under this chapter does not apply to:

1422 (a) fossil fuel brought into the state by means of the fuel supply tank of a motor  
1423 vehicle, vessel, locomotive, or aircraft;

1424 (b) fossil fuel emissions that the state is prohibited from taxing under the Utah  
1425 Constitution or the constitution or laws of the United States; or

1426 (c) fossil fuel intended for export outside the state.

1427 (2) A carbon emissions tax due under this chapter is in addition to all other taxes  
1428 provided by law.

1429 Section 21. Section **59-30-301** is enacted to read:

1430 **Part 3. Carbon Emissions Tax Revenue Accounts**

1431 **59-30-301. Carbon Emissions Tax Expendable Revenue Fund.**

1432 (1) There is created within the General Fund an expendable special revenue fund  
1433 known as the "Carbon Emissions Tax Expendable Revenue Fund."

1434 (2) The fund shall consist of:

1435 (a) the revenue generated from taxes imposed under Sections 59-30-204, 59-30-205,  
1436 and 59-30-206;

1437 (b) the revenue deposited into the account required under Section 59-12-103;

1438 (c) any interest and penalties levied in relation to the administration of this chapter;

1439 and

1440 (d) any other funds received as donations for the fund and appropriations from other  
1441 sources.

1442 (3) Subject to Subsection (6), money in the fund shall be used to:

1443 (a) make the transfers to the Education Fund described in:

1444 (i) Section 59-10-1019; and

1445 (ii) Section 59-10-1113;

1446 (b) make the transfer described in Subsection (5)(b)(i);

1447 (c) make the transfer described in Subsection (5)(b)(ii);  
1448 (d) make the transfer described in Subsection (5)(b)(iii);  
1449 (e) make the transfer described in Subsection (5)(b)(iv); and  
1450 (f) fund the Carbon Emissions Tax Refund Restricted Account created in Section 59-  
1451 30-302.

1452 (4) (a) On or before October 1, 2022, the commission shall calculate, for the time  
1453 period beginning on January 1, 2022, and ending on June 30, 2022, the total loss of revenue to  
1454 the General Fund as a result of the elimination of the state sales and use tax on:

1455 (i) food and food ingredients;  
1456 (ii) residential fuel; and  
1457 (iii) commercial fuel.

1458 (b) For a fiscal year beginning on or after July 1, 2022, the commission shall calculate  
1459 the total loss of revenue to the General Fund for the previous fiscal year as a result of the  
1460 elimination of the state sales and use tax on:

1461 (i) food and food ingredients;  
1462 (ii) residential fuel; and  
1463 (iii) commercial fuel.

1464 (5) (a) The Division of Finance shall make the transfers described in Subsection (5)(b):  
1465 (i) except as provided in Subsection (5)(b)(i)(A), for a fiscal year beginning on or after  
1466 July 1, 2021;

1467 (ii) subject to Subsection (6); and  
1468 (iii) subject to appropriation by the Legislature.

1469 (b) The Division of Finance shall transfer from the fund:

1470 (i) (A) for the time period beginning on January 1, 2022, and ending on June 30, 2022,  
1471 into the General Fund, the amount calculated in accordance with Subsection (4)(a); and  
1472 (B) for a fiscal year beginning on or after July 1, 2022, into the General Fund, the  
1473 amount calculated in accordance with Subsection (4)(b);

1474 (ii) to the Division of Air Quality, created in Section 19-1-105, for the uses described  
1475 in Title 19, Chapter 2, Part 2, Clean Air Retrofit, Replacement, and Off-road Technology  
1476 Program, \$25,000,000;

1477 (iii) to the Governor's Office of Economic Development -- Rural Employment  
1478 Expansion Program, for the Governor's Office of Economic Development created in Section

1479 63N-1-201, in consultation with the Office of Rural Development created in Section 63N-4-  
1480 102, to use for diversifying the economy in rural counties and communities, \$50,000,000; and

1481 (iv) to the Department of Environmental Quality, created in Section 19-1-104, for the  
1482 uses described in Section 19-2-401, \$75,000,000.

1483 (c) The Division of Finance shall make:

1484 (i) the transfers described in Subsection (5)(b)(i) upon receipt of the calculation  
1485 required by Subsection (4) from the commission; and

1486 (ii) the transfers described in Subsections (5)(b)(ii) through (iv) on or before August 1.

1487 (6) In covering the cost of the items identified in Subsection (3), priority shall be given  
1488 to the items in the order that they are listed in Subsection (3). If there is a remaining balance in  
1489 the fund on June 30, after funding the items described in Subsections (3)(a) through (e) for the  
1490 current fiscal year, the Division of Finance shall transfer the remaining amount into the Carbon  
1491 Emissions Tax Refund Restricted Account created in Section 59-30-302.

1492 Section 22. Section **59-30-302** is enacted to read:

1493 **59-30-302. Carbon Emissions Tax Refund Restricted Account.**

1494 (1) There is created within the General Fund a restricted account known as the "Carbon  
1495 Emissions Tax Refund Restricted Account."

1496 (2) The account shall consist of:

1497 (a) deposits from the Carbon Emissions Tax Expendable Revenue Fund, created in  
1498 Section 59-30-301;

1499 (b) money lapsed from the Clean Air Grant Program, created in Section 19-2-401; and

1500 (c) interest earned by the account.

1501 (3) The Legislature may use the money in the account to lower state taxes, especially  
1502 for low- and middle-income households and for energy-intensive trade-exposed businesses.

1503 Section 23. Section **63N-2-502** is amended to read:

1504 **63N-2-502. Definitions.**

1505 As used in this part:

1506 (1) "Agreement" means an agreement described in Section 63N-2-503.

1507 (2) "Base taxable value" means the value of hotel property before the construction on a  
1508 qualified hotel begins, as that value is established by the county in which the hotel property is  
1509 located, using a reasonable valuation method that may include the value of the hotel property

1542 (c) expressing the county's endorsement of a developer of a qualified hotel as meeting  
1543 all the county's criteria for receiving the county's endorsement.

1544 (12) "Host agency" means the community reinvestment agency of the host local  
1545 government.

1546 (13) "Host local government" means:

1547 (a) a county that enters into an agreement with the office for the construction of a  
1548 qualified hotel within the unincorporated area of the county; or

1549 (b) a city or town that enters into an agreement with the office for the construction of a  
1550 qualified hotel within the boundary of the city or town.

1551 (14) "Hotel property" means a qualified hotel and any property that is included in the  
1552 same development as the qualified hotel, including convention, exhibit, and meeting space,  
1553 retail shops, restaurants, parking, and other ancillary facilities and amenities.

1554 (15) "Incentive fund" means the Convention Incentive Fund created in Section 63N-2-  
1555 503.5.

1556 (16) "Incremental property tax revenue" means the amount of property tax revenue  
1557 generated from hotel property that equals the difference between:

1558 (a) the amount of property tax revenue generated in any tax year by all taxing entities  
1559 from hotel property, using the current assessed value of the hotel property; and

1560 (b) the amount of property tax revenue that would be generated that tax year by all  
1561 taxing entities from hotel property, using the hotel property's base taxable value.

1562 (17) "Local portion" means the portion of new tax revenue that is generated by local  
1563 taxes.

1564 (18) "Local taxes" means a tax imposed under:

1565 (a) Section 59-12-204;

1566 (b) Section 59-12-301;

1567 (c) Sections 59-12-352 and 59-12-353;

1568 (d) Subsection 59-12-603(1)(a)(i)(A);

1569 (e) Subsection 59-12-603(1)(a)(i)(B);

1570 (f) Subsection 59-12-603(1)(a)(ii);

1571 (g) Subsection 59-12-603(1)(a)(iii); or

1572 (h) Section 59-12-1102.

1573 (19) "New tax revenue" means construction revenue, offsite revenue, and onsite  
1574 revenue.

1575 (20) "Offsite revenue" means revenue generated from state taxes and local taxes  
1576 imposed on transactions by a third-party seller occurring other than on hotel property during  
1577 the eligibility period, if:

1578 (a) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax  
1579 Act; and

1580 (b) the third-party seller voluntarily consents to the disclosure of information to the  
1581 office, as provided in Subsection 63N-2-505(2)(b)(i)(E).

1582 (21) "Onsite revenue" means revenue generated from state taxes and local taxes  
1583 imposed on transactions occurring on hotel property during the eligibility period.

1584 (22) "Public infrastructure" means:

1585 (a) water, sewer, storm drainage, electrical, telecommunications, and other similar  
1586 systems and lines;

1587 (b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public  
1588 transportation facilities; and

1589 (c) other buildings, facilities, infrastructure, and improvements that benefit the public.

1590 (23) "Qualified hotel" means a full-service hotel development constructed in the state  
1591 on or after July 1, 2014 that:

1592 (a) requires a significant capital investment;

1593 (b) includes at least 85 square feet of convention, exhibit, and meeting space per guest  
1594 room; and

1595 (c) is located within 1,000 feet of a convention center that contains at least 500,000  
1596 square feet of convention, exhibit, and meeting space.

1597 (24) "Qualified hotel owner" means a person who owns a qualified hotel.

1598 (25) "Review committee" means the independent review committee established under  
1599 Section 63N-2-504.

1600 (26) "Significant capital investment" means an amount of at least \$200,000,000.

1601 (27) "State portion" means the portion of new tax revenue that is generated by state  
1602 taxes.

1603 (28) "State taxes" means a tax imposed under Subsection 59-12-103(2)(a)(i)[~~-(2)(b)(i);~~  
1604 ~~(2)(e)(i);~~] or (2)(d)(i)(A).

1605 (29) "Third-party seller" means a person who is a seller in a transaction:  
1606 (a) occurring other than on hotel property;  
1607 (b) that is:  
1608 (i) the sale, rental, or lease of a room or of convention or exhibit space or other  
1609 facilities on hotel property; or  
1610 (ii) the sale of tangible personal property or a service that is part of a bundled  
1611 transaction, as defined in Section 59-12-102, with a sale, rental, or lease described in  
1612 Subsection (29)(b)(i); and  
1613 (c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.  
1614 Section 24. Section **72-2-126** is amended to read:  
1615 **72-2-126. Aeronautics Restricted Account.**  
1616 (1) There is created a restricted account entitled the Aeronautics Restricted Account  
1617 within the Transportation Fund.  
1618 (2) The account consists of money generated from the following revenue sources:  
1619 (a) aviation fuel tax allocated for aeronautical operations deposited into the account in  
1620 accordance with Section 59-13-402;  
1621 (b) carbon emissions tax revenue deposited into the account in accordance with  
1622 Section 59-30-203;  
1623 ~~[(b)]~~ (c) aircraft registration fees deposited into the account in accordance with Section  
1624 72-10-110;  
1625 ~~[(c)]~~ (d) appropriations made to the account by the Legislature;  
1626 ~~[(d)]~~ (e) contributions from other public and private sources for deposit into the  
1627 account; and  
1628 ~~[(e)]~~ (f) interest earned on account money.  
1629 (3) The department shall allocate funds in the account to the separate accounts of  
1630 individual airports as required under Section 59-13-402.  
1631 (4) (a) Except as provided in Subsection (4)(b), the department shall use funds in the  
1632 account for:  
1633 (i) the construction, improvement, operation, and maintenance of publicly used airports  
1634 in this state;  
1635 (ii) the payment of principal and interest on indebtedness incurred for the purposes  
1636 described in this Subsection (4)(a);



1637 (iii) operation of the division of aeronautics;  
1638 (iv) the promotion of aeronautics in this state; and  
1639 (v) the payment of the costs and expenses of the Department of Transportation in  
1640 administering Title 59, Chapter 13, Part 4, Aviation Fuel, or another law conferring upon it the  
1641 duty of regulating and supervising aeronautics in this state.

1642 (b) The department may use funds in the account for the support of aerial search and  
1643 rescue operations, provided that no money deposited into the account under Subsection (2)(a)  
1644 is used for that purpose.

1645 (5) (a) Money in the account may not be used by the department for the purchase of  
1646 aircraft for purposes other than those described in Subsection (4).

1647 (b) Money in the account may not be used to provide or subsidize direct operating  
1648 costs of travel for purposes other than those described in Subsection (4).

1649 Section 25. **Effective date.**

1650 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2022.

1651 (2) The changes to Sections 59-10-1019, 59-10-1102.1, and 59-10-1113 take effect for  
1652 a taxable year beginning on or after January 1, 2022.

1653

1654 END OF CLEAN THE AIR CARBON TAX ACT

1655 Persons gathering signatures for the petition may be paid for doing so.

1656 This initiative petition proposes the creation of a new carbon tax.